

SECRET

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

25 May 1977

MEMORANDUM FOR: Recipients

SUBJECT : IIM on WE Communist Parties

1. My understanding of what the working group agreed to do editorially to the first draft at the 25 May meeting is as follows:

- a. The scope note will be shortened, and first paragraph deleted. (NIO)
- b. The Overview and Main Judgments will be shortened, particularly the first few paragraphs on the tenets of Euro-Communism. It will also give more attention to the EC and the scenarios of Communist entry into government. (NIO)
- c. Section I, The Setting, will be deleted, the Overview doing the job.
- d. Sections II and III on Italy and France will be shortened, especially III. Informational annexes are in preparation on each of these parties. Drafters will concert in effort to make them more parallel in the sense of addressing similar general questions. Drafters will also concert with DIA to determine best dividing line between discussions of party attitudes toward NATO -- i.e., what belongs in country sections and what in NATO sections. Each section is to have a paragraph on question of Soviet support for the party and what it implies. (ORPA)
- e. Section IV on Iberia will be substantially shortened, reducing Portugal to a footnote which explains why it is so treated, making Spanish part more comparable in style and format to previous sections. (ORPA)

25X

SECRET

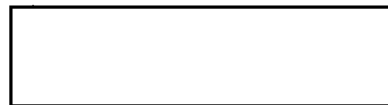
SECRET

- 2 -

- f. Section VII on NATO will be tightened so as to avoid overlap with country sections -- details to be agreed between DIA and ORPA. (DIA)
- g. Sections V and VIII to be shortened and combined into a new final section, either highlighting EC or making it a separate section. This part to be final part of paper. (State)

25X1A

2. The meeting at 1000 in Room 5G00 on Tuesday, 31 May, will coordinate the text. Please telephone [redacted] with the names of the representatives who will be attending. Advance exchange of views or text between officers by LDX will help speed the process.



25X1A

National Intelligence Officer
for Western Europe

Attachment

SECRET

25X1

Approved For Release 2004/03/11 : CIA-RDP79R00603A002600010004-2

Approved For Release 2004/03/11 : CIA-RDP79R00603A002600010004-2

SECRET

Insert differences re. how they came to power. scenarios,
 make an EC
 Hammerstein p. 57

24 May 1977

DRAFTEuropean Communist PartiesOverview and Principal Judgments

1. Euro-Communism is not ^{yet} a real thing but a label denoting certain shared attitudes of the Italian, French, and Spanish Communist parties, all of which are now playing important political roles in their respective nations and may soon play more.

2. The three Communist parties are more different than alike, ~~in~~ most major respects, and ~~of course~~ they each face very different political prospects and problems, ~~in their national arenas~~. However, they have come to hold in common a few important doctrinal positions which set them apart from the Soviet and East European models and which have been receiving more emphasis in each party as they have maneuvered, ~~each in quite different contexts~~, to appeal to more voters. For example, they

~~They reject the Communist party of the Soviet Union as the ruling party of the international Communist movement.~~

~~They declare that they do not regard the Soviet system as a ^{rigid} future model for their countries, and~~

~~They have stated (but not proved) their commitment to pluralistic democracy.~~

~~They assert the primacy of their countries' national interests when these clash with Soviet state interests.~~

25X

SECRET

SECRET

- 2 -

These tendencies ~~go back farther and~~ run deeper in the Italian and Spanish parties than in the French party.

3. ^{and among themselves,} Despite their differences with the USSR, the European Communists

parties are still Communists, and not socialists or social democrats.

There is evidence of considerable strain and debate over future strategy and tactics within each ^{party's} ~~of their~~ leadership groups, between the leaders and segments of the rank and file, and between the three different national parties. Nonetheless, they still hold to certain classical Communist practices which distinguish them from other parties of the European left:

- They ~~still~~ conduct party affairs by the Leninist model of "democratic centralism," i.e., requiring acceptance at all party levels of policies laid down at the top.
- They remain broadly internationalist in outlook, ^{with considerable} ~~loathe to~~ repudiate a residual loyalty to the USSR as the first and most powerful Communist state, ~~and possessing an instinctive sympathy for revolutionary movements in the Third World.~~
- ~~E~~ This loyalty ~~to the USSR~~, and several decades of opposition to the US and NATO Europe, ^{make} ~~give~~ them ^{instinctively hostile} ~~an active suspicion~~ and ~~hostility~~ to the US which they ^{still} see as ~~leader and~~ ^{the} embodiment of capitalism and imperialism.
- The French and Italian parties have very different views on ^{economic policy,} ~~what should be done to or for their respective national economies,~~ but ^{they and the Spanish party} ~~all three parties~~ profess an ultimate vision of a Europe freed alike from US and Soviet blocs, building

SECRET

SECRET

- 3 -

a ~~kind of~~ marxist society which avoids both the Soviet model and the trap they believe the other European leftist parties have fallen into -- i.e., helping to administer capitalism with ^{great} appreciably changing it.

single line
[Handwritten scribble]

-- They are vague on precisely how they would do this, partly because they probably don't know themselves and partly because (like other political parties) they are reluctant to give detailed answers before they have to, lest they lose support on either left or right.

4. Similarities between the three parties are interesting, but the heart of the matter is ~~not Euro-Communism~~ but the separate, very different problems of Italy, France, and Spain.

Italy

-- The PCI is much the largest and most advanced European Communist party, having the longest record of working with other parties, of avoiding dogmatism and confrontation with the church, of piling up a good record of administrative competence in cities and regions where it has run local governments, and of pursuing a relatively moderate line in fiscal and labor programs -- more moderate than other Italian parties on the left. The PCI has been helped by the fatigue of the Christian Democrats after 31 years in power. It is, in effect, already a part of the Italian governing establishment.

SECRET

SECRET

- 4 -

-- The PCI's political leverage derives from the government's critical dependence on it for benevolent abstention in parliament and from its indispensable role in inducing Italian labor to accept austerity measures.

-- Formal PCI entry into the Italian government is by no means assured, and it is even possible that in new elections the party would fall short of the 34 percent peak it reached in 1976. Odds are, however, that it will not lose ground ⁱⁿ ~~in~~ new elections, ^{in any case it will be} ~~are held, and it is likely to remain~~ one of Italy's two principal parties for the foreseeable future.

-- As the PCI has come nearer power in the last few years, its policy on NATO and the Warsaw Pact has switched from advocating a "Europe without blocs" to a recognition that the blocs will not soon disappear. Communist leader Berlinguer has even stated that he feels more comfortable with Italy in NATO than otherwise. This tendency does not make the PCI pro-NATO in any effective sense, merely less militant and more cautious.

-- The PCI is particularly concerned lest a post-Tito Yugoslavia slip back into the Soviet orbit. Italian Communists maintain close ties with the Yugoslav leadership and a Soviet move against Yugoslav independence would present the PCI with a painful dilemma if NATO were to respond in support of Yugoslavia. The PCI would be subject to conflicting pressures,

SECRET

SECRET

- 5 -

but some members at least would probably support the NATO move.

For some years
 -- The PCI ~~opposed the~~ European Community concept when the Treaty of Rome established it, but for some years ~~it~~ has supported Italian membership in the EC as essential to Italy's interests. *It has shown itself acutely aware of economic realities which have placed important constraints on Communist behavior.*

France

- The PCF has a good chance of entering the government through the next parliamentary elections (probably in March 1978), but it has paid a high price ~~for this chance by~~ ⁱⁿ joining ~~an~~ alliance with the French Socialists in 1972, an alliance which has enabled the Socialists to grow substantially while the PCF has shrunk slightly. It is now the junior partner, where it once ~~claimed to be~~ ^{was} the dominant voice of the left in France.
- Should the Left Alliance form a government, ~~the~~ ^{that} coalition ~~would~~ ^{probably} ~~be a troubled and uneasy one likely to fall apart in~~ the first year or two. Principle issues of contention would be chiefly domestic, with the PCF pushing for extensive nationalizations and a radical restructuring of French society. ~~There would probably be~~ a falling out between the PCF and the Socialists, ~~and though French politics could become more polarized as a result, it seems more likely to lead to a political realignment in which the Socialists would join with~~ ^{could}

SECRET

SECRET

- 6 -

could lead to a new center-right arrangement.

some centrist elements in a new center-left alignment. *new center-right arrangement.*
In short, if the PCF does ~~gain entry to~~ ^{enter} the French government, it is much less likely than the PCI in Italy to stay in over the long term.

- The PCF's adoption of the relatively benign tenets of Euro-Communism is far more recent and considerably less ^{credible} ~~proven~~ than in the case of the Spanish and the Italian parties. Whether ~~this recent trend~~ ^{de-Stalinization} will accelerate ^{as} the PCF ~~gets closer~~ ^{gets closer} ~~(proximity)~~ to power, or be reversed by altercations within the Left Alliance is conjectural.

- The PCF takes a more negative attitude than either the PCI or PCE toward NATO and the European Community. This is consistent with the mainstream of French sentiment as compared with Italian, and the parallels between PCF thinking on French foreign policy and the Gaullist tradition reflect deliberate strategy on the PCF's part. We doubt that the PCF would push for outright French departure from the Alliance, but it would certainly press for a policy more aloof than Giscard has pursued.

Spain

- The Spanish Communist Party has more in common with the Italian than with the French Communists, ~~both in terms of policy tenets and when it espoused these.~~
-- Its economic policy is designed to appeal to the middle

SECRET

SECRET

- 7 -

class as well as to the workers.

- It seeks recognition from and political alliance with groups on the center-left, including its principal rival for the working-class vote -- the Spanish Socialist Workers Party.
- Its foreign policy appears more moderate than that of the *Spanish* Socialists in that it does not argue for the removal of US bases or against Spain's joining NATO.
- It is thoroughly hostile to the idea of subordinating its interests to Soviet objectives. Party leaders remember that the Soviets organized an abortive counter-party in an attempt to unseat General Secretary Carrillo in the 1960s and 1970s.

5. Cooperation between the major European Communist parties is a changing and uneven pattern.

- Some Italian Communists consider their French brethren ~~dog~~ *matic and* barely regenerate Stalinists. They are *almost* as suspicious of the PCF's recent "conversion" as are *many* non-Communists, ~~and believe that the French Communists have only a verbal commitment to democracy.~~
- In the economic sphere, the PCI *wants* ~~is concerned~~ to ~~deal and~~ re-direct a sick economy, ~~and it considers that~~ *thinks* the public sector is, under present conditions, already *too* large ~~than it should be.~~ The French Communists, by contrast, want to break the power of capitalist owners and managers of all large and middle-sized enterprises in France.

SECRET

Insert A

not P.

6. Notwithstanding policy differences, suspicions, and tensions among the Italian, French, and Spanish Communists, they share enough in common-- not least of all serious concern over Moscow's intentions--that Euro-Communism has begun to take on some embryonic programmatic and structural form. In recent years a number of steps, including a series of multiparty meetings ^{without the} (~~sans~~ Soviets), have been taken to coordinate policies and tactics and to share facilities and information on issues of common interest. The Italians, French, and Spanish ~~are~~ joined in this by most other West European Communist parties, with the prospect that over the longer run the Euro-Communist lab~~or~~ will take on much more real flesh than it has today.

↓
S top here
and please
call

(I'll have a little more)

25X

SECRET

- 8 -

-- Italian and French Communist attitudes also diverge on the question of Europe. PCI leaders believe that Italy needs the European Community, and hope to alter it from within toward a more socialist orientation. The PCF sees the EC as a check on future left-wing policies and an infringement on French sovereignty. This would make it difficult for the parties to adopt consistently common programs within the European Parliament.

-- The Spanish party ^{is} ~~adopts rhetorical~~ positions on these questions ^{is} more akin to the Italian ~~model~~ than the French, but also less precise, reflecting Spain's tentative political situation and relative isolation in Europe.

Insert A

8.7. The governments and mainstream parties of Europe look on the European Communist problem with concern, coupled with varying mixtures of hope that the Communists will not gain power in Italy or France, or that, if they do, the benign rhetoric of Euro-Communism will be confirmed and consolidated into political practice. The left-of-center parties of northern Europe are particularly ^{with respect to} hopeful ~~for the PCI, in this respect~~ partly because of its better record and partly because of their low opinion of the Italian Christian Democrats. European governments and centrist parties repudiate the idea of open external interference to affect the political course in France, Italy, or Spain; however, they generally approve the West German approach of conditioning economic assistance to Italy on improved performance by the Christian Democratic government, ^{various Northern parties, particularly}

(political)

SECRET

→ 8. EC member countries, and particularly West Germany, are worried about what PCF and/or PCI entry into government would mean for Western Europe's economic health and for EC institutions over the longer run. The immediate concern is with the economic instability that many fear would ensue in France or Italy if Communists assumed a share of power. EC members also fear that Communist-influenced governments might resort to protectionist and other measures that would violate the spirit, if not the letter, of EC agreements.

9. Even more basic is the West European concern over the obvious philosophical differences between Communist economic theories and the ideological underpinnings of the EC. *In addition,* Communist participation in EC governments could also be expected to ~~make~~ hinder--and perhaps even derail--a workable US-EC dialogue.

Many West European leaders, encouraged by the US administration's willingness to pursue ~~and~~ that dialogue, fear that Communist involvement would serve to abort this favorable trend and in the end incline the US more toward bilateral dealings with individual ~~ex~~ EC countries.

SECRET

- 9 -

West German, give moral and financial support to non-Communist forces in Italy and Spain, while in some cases maintaining dialogues with the PCI as well.

8+9
The question of the PCI or PCF entering NATO governments, and the likely effects of this on the Alliance, can be assessed variously. At the very least, it would raise troublesome matters of security and uneven participation by the affected member. But, in this view, such problems could be handled in ways comparable to the precedents set for Portugal and Iceland. A more somber interpretation is that it would call into question the unity and coherence of the Alliance, and might result in fragmenting it, reducing it to a North European arrangement with the US which would in effect be a US-German partnership.

811. Precisely what the effects would be would, of course, depend heavily on which government was involved, what positions the Communists held and on what terms, and what NATO issues are being considered.

-- In general, Communist declarations about accepting NATO are probably genuine in the sense that neither the PCI nor the PCF would press for precipitous withdrawal.

5 Of course neither party stands to gain by defining its stance in detail before the fact, since any precise declarations would court adverse reactions on either the right or left at home and either from the Soviets or the West abroad.

-- Beyond this, it is clear only that either party, once in the government, would probably prove obstructionist regarding any efforts to invigorate the Alliance or draw it closer together.

SECRET

SECRET

- 10 -

The parties to be facilitated to the extent they can ride the tide of prevailing nationalist sentiment which has the same net effect.

And they would be particularly opposed to their governments cooperating with any US political or military efforts going beyond the NATO region itself -- e.g., the Middle East and Africa. (This subject is addressed in greater detail in Section .)

12 In the Soviet view, the apparently improving fortunes of the European Communist parties gives rise to very mixed feelings. While the Soviets initially welcomed the trend, at least since 1975 they have shown themselves ~~at least~~ ^{extremely} concerned that it carries threats to their interests, and this ambivalence becomes more pronounced the closer to power the European Communists appear to get.

13. The Soviets obviously want the support European Communists give them on major foreign policy issues, and would welcome a weakening of NATO and divisions between the US and European governments. ^{Balancing} ~~Offsetting~~ these hopes, however, are fears on several grounds:

-- The impact on the cohesion of the Communist movement.

The Western parties' assertions of independence are one more blow to Moscow's leadership of a movement already fragmented by Chinese and Yugoslav heresies. Moscow fears that the price of a share of power for Communist parties in the West will be increasing defiance of the USSR.

-- The impact on the Soviet position in East Europe. Already concerned about stability in this area as a result of serious economic problems, Moscow shows alarm lest ideological infection from West European Communists spread to Eastern

SECRET

SECRET

- 11 -

Europe, a fear intensified by the Westerners' support for human rights and dissidents in the East.

-- The impact on general Soviet foreign policy objectives towards the West. Moscow probably fears that neither the PCI nor the PCF could enter government under conditions that held out much hope of lasting success. The risk therefore would be not only that their credibility would be damaged but the consequent turmoil would produce a conservative backlash, domestically and in the West generally, which would jeopardize the advantages Moscow hopes to gain from detente, ~~and otherwise reverse trends in Europe which it currently hopes to encourage.~~

14. We do not conclude from this that Moscow would oppose the entry into government of the French or Italian parties. On the contrary, it would be publicly pleased and privately hope that a number of opportunities would open up as a result. But these hopes would be heavily qualified by apprehensions, and the net result would be to induce caution and wait-and-see into Soviet policy calculations.

15. US attitudes toward Communist parties in Europe are an object of acute interest to Europeans of all political stripes. They are well aware that the present administration has modified the US stance on this question, adopting a more pragmatic and flexible attitude than in the past, though without abandoning opposition to Communists in NATO governments. Most of the European center-left elements ~~approve~~ the change as

SECRET

SECRET

- 12 -

realistic. They believe that the previous US policy was no longer effective in hindering Communist electoral prospects, and was in fact likely to increase the difficulties if the Communists should gain a role in the Italian or French governments. On the other hand, some of the conservative forces -- especially in France and Italy -- regret the shift from stiff US declaratory opposition to Communists in European governments, believing the change will help the latter to power. All across the spectrum, there is considerable uncertainty about precisely what present US policy is and precisely how the US ^{will}~~would~~ react if Communists do enter the French or Italian governments. The dilemma is that if the US stays silent, it adds currency to the notion that it is ready to accept Communists in NATO governments; yet public (and even some private) declarations to the opposite effect trigger ^R~~changes~~ of interference.

13. This is an intelligence assessment and not a policy study. Possible courses of action and declaratory approaches to deal with the dilemma are outside the proper scope of this paper. However, we have set forth how the major European governments and the main European Communist parties see the US posture, and what our allies hope (or fear) US policy will be. This is discussed in Section VIII.

SECRET

SECRET

NIO 1236-77

FOR NIO MEETING
11:30-1215
25 MAY

Executive Registry
27-342/6

24 May 1977

ER

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy to the DCI for National Intelligence

FROM :
National Intelligence Officer for Western Europe

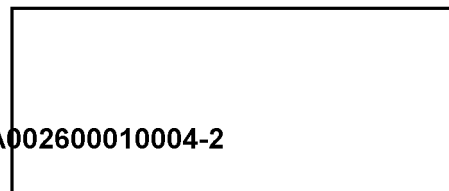
SUBJECT : European Communist Parties

1. Action Requested: None; for information only.
2. Background:
 - a. The attached draft Overview reflects the scope and main thrust of the Interagency Memorandum on European Communism which we are in process of producing.
 - b. This draft is relevant to the NIO briefing and discussion on European Communism for which you are scheduled tomorrow.



25X1

SECRET



ROUTING AND RECORD SHEET

SUBJECT: (Optional)

European Communist Parties

FROM:

[Redacted]

National Intelligence Officer for
Western Europe

EXTENSION

NO.

NID # 1236-77

DATE

24 May 1977

TO: (Officer
building)

designation, room number, and

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom
to whom. Draw a line across column after each comment.)

1.

D/DCI/NI

2.

3.

DCI

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

This draft is relevant to the
DCI/NIO meeting on Wednesday,
25 May, at 1130.

SECRET

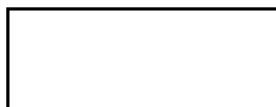
24 May 1977

Subject Outline: West European Communist Parties

(For Briefing and Discussion with DCI, 25 May, 1130)

1. The new US policy - PRM 9 and follow-up
2. Past intelligence coverage of the question
3. The present intelligence effort: Interagency Intelligence Memorandum on European Communism
 - a. The analytical problem
 - b. Euro-Communism as a label, not a reality
 - c. Heart of the matter is the Italian, French, and Spanish Communist parties and the situations in those countries
4. Italy and the PCI
5. France and the PCF
6. Spain and the PCE
7. The Soviet perspective - mixed feelings
8. How Europe views the problem
9. Implications for NATO
10. Perspectives for the US

Briefers



Eric Willenz

(NIO/WE)
(ORPA/Italy)
(ORPA/France)
(State/INR-Soviet Perspectives)

25X

SECRET

SECRET

24 May 1977

DRAFT

European Communist Parties

Overview and Principal Judgments

1. Euro-Communism is not a real thing but a label denoting certain shared attitudes of the Italian, French, and Spanish Communist parties, all of which are now playing important political roles in their respective nations and may soon play more.

2. The three Communist parties are more different than alike in most major respects, and of course they each face very different political prospects and problems in their national arenas. However, they have come to hold in common a few important doctrinal positions which set them apart from the Soviet and East European models and which have been receiving more emphasis in each party as they have maneuvered, each in quite different contexts, to appeal to more voters.

- They reject the Communist party of the Soviet Union as the ruling party of the international Communist movement.
- They declare that they do not regard the Soviet system as a future model for their countries.
- They have stated (but not proved) their commitment to pluralistic democracy.
- They assert the primacy of their countries' national interests when these clash with Soviet state interests.

25X

SECRET

These tendencies go back farther and run deeper in the Italian and Spanish parties than in the French party.

3. Despite their differences with the USSR, the European Communist parties are still Communists, and not socialists or social democrats. There is evidence of considerable strain and debate over future strategy and tactics within each of their leadership groups, between the leaders and segments of the rank and file, and between the three different national parties. Nonetheless, they still hold to certain classical Communist practices which distinguish them from other parties of the European Left:

- They still conduct party affairs by the Leninist model of "democratic centralism," i.e., requiring acceptance at all party levels of policies laid down at the top.
- They remain broadly internationalist in outlook, loathe to repudiate a residual loyalty to the USSR as the first and most powerful Communist state, and possessing an instinctive sympathy for revolutionary movements in the Third World.
- This loyalty to the USSR, and several decades of opposition to the US and NATO Europe, give them an active suspicion and hostility to the US which they see as leader and embodiment of capitalism and imperialism.
- The French and Italian parties have very different views on what should be done to or for their respective national economies, but all three parties profess an ultimate vision of a Europe freed alike from US and Soviet blocs, building

SECRET

- 3 -

a kind of marxist society which avoids both the Soviet model and the trap they believe the other European left parties have fallen into -- i.e., helping to administer capitalism with appreciably changing it.

-- They are vague on precisely how they would do this, partly because they probably don't know themselves and partly because (like other political parties) they are reluctant to give detailed answers before they have to, lest they lose support on either left or right.

4. Similarities between the three parties are interesting, but the heart of the matter is not Euro-Communism but the separate, very different problems of Italy, France and Spain.

Italy

-- The PCI is much the largest and most advanced European Communist party, having the longest record of working with other parties, of avoiding dogmatism and confrontation with the Church, of piling up a good record of administrative competence in cities and regions where it has run local governments, and of pursuing a relatively moderate line in fiscal and labor programs -- more moderate than other Italian parties on the left. The PCI has been helped by the fatigue of the Christian Democrats after 31 years in power. It is, in effect, already a part of the Italian governing establishment.

SECRET

SECRET

- 4 -

- The PCI's political leverage derives from the government's critical dependence on it for benevolent abstention in parliament and from its indispensable role in inducing Italian labor to accept austerity measures.
- Formal PCI entry into the Italian government is by no means assured, and it is even possible that in new elections the party would fall short of the 34 percent peak it reached in 1976. Odds are, however, that it will not lose ground if new elections are held, and it is likely to remain one of Italy's two principal parties for the foreseeable future.
- As the PCI has come nearer power in the last few years, its policy on NATO and the Warsaw Pact has switched from advocating a "Europe without blocs" to a recognition that the blocs will not soon disappear. Communist leader Berlinguer has even stated that he feels more comfortable with Italy in NATO than otherwise. This tendency does not make the PCI pro-NATO in any effective sense, merely less militant and more cautious.
- The PCI is particularly concerned lest a post-Tito Yugoslavia slip back into the Soviet orbit. Italian Communists maintain close ties with the Yugoslav leadership and a Soviet move against Yugoslav independence would present the PCI with a painful dilemma if NATO were to respond in support of Yugoslavia. The PCI would be subject to conflicting pressures,

SECRET

~~SECRET~~

- 5 -

but some members at least would probably support the NATO move.

- The PCI opposed the European Community concept when the Treaty of Rome established it, but for some years it has supported Italian membership in the EC as essential to Italy's interests.

France

- The PCF has a good chance of entering the government through the next parliamentary elections (probably in March 1978), but it has paid a high price for this chance by joining in alliance with the French Socialists in 1972, an alliance which has enabled the Socialists to grow substantially while the PCF has shrunk slightly. It is now the junior partner, where it once claimed to be the dominant voice of the left in France.
- Should the Left Alliance form a government, the coalition would be a troubled and uneasy one likely to fall apart in the first year or two. Principle issues of contention would be chiefly domestic, with the PCF pushing for extensive nationalizations and a radical restructuring of French society. There would probably be a falling out between the PCF and the Socialists, and though French politics could become more polarized as a result, it seems more likely to lead to a political realignment in which the Socialists would join with

~~SECRET~~

SECRET

- 6 -

some centrist elements in a new center-left alignment.

In short, if the PCF does gain entry to the French government, it is much less likely than the PCI in Italy to stay in over the long term.

- The PCF's adoption of the relatively benign tenets of Euro-Communism is far more recent and considerably less "proven" than in the case of the Spanish and the Italian parties. Whether this recent trend will accelerate with the PCF's proximity to power, or be reversed by altercations within the Left Alliance is conjectural.
- The PCF takes a more negative attitude than either the PCI or PCE toward NATO and the European Community. This is consistent with the mainstream of French sentiment as compared with Italian, and the parallels between PCF thinking on French foreign policy and the Gaullist tradition reflect deliberate strategy on the PCF's part. We doubt that the PCF would push for outright French departure from the Alliance, but it would certainly press for a policy more aloof than Giscard has pursued.

Spain

- The Spanish Communist Party has more in common with the Italian than with the French Communists, both in terms of policy tenets and when it espoused these.
- Its economic policy is designed to appeal to the middle

SECRET

SECRET

- 7 -

class as well as to the workers.

- It seeks recognition from and political alliance with groups on the center-left, including its principal rival for the working-class vote -- the Spanish Socialist-Workers Party.
- Its foreign policy appears more moderate than that of the Socialists in that it does not argue for the removal of US bases or against Spain's joining NATO.
- It is thoroughly hostile to the idea of subordinating its interests to Soviet objectives. Party leaders remember that the Soviets organized an abortive counter-party in an attempt to unseat General Secretary Carrillo in the 1960s and 1970s.

5. Cooperation between the major European Communist parties is a changing and uneven pattern.

- Some Italian Communists consider their French brethren dogmatic and barely regenerate Stalinists. They are almost as suspicious of the PCF's recent conversion as are non-Communists, and believe that the French Communists have only a verbal commitment to democracy.
- In the economic sphere, the PCI is concerned to heal and re-direct a sick economy, and it considers that the public sector is, under present conditions, already larger than it should be. The French Communists, by contrast, want to break the power of capitalist owners and managers of all large and middle-sized enterprises in France.

SECRET

SECRET

- 8 -

-- Italian and French Communist attitudes also diverge on the question of Europe. PCI leaders believe that Italy needs the European Community, and hope to alter it from within toward a more socialist orientation. The PCF sees the EC as a check on future left-wing policies and an infringement on French sovereignty. This would make it difficult for the parties to adopt consistently common programs within the European Parliament.

-- The Spanish party adopts rhetorical positions on these questions more akin to the Italian model than the French, but also less precise, reflecting Spain's tentative political situation and relative isolation in Europe.

6. The governments and mainstream parties of Europe look on the European Communist problem with concern, coupled with varying mixtures of hope that the Communists will not gain power in Italy or France, or that, if they do, the benign rhetoric of Euro-Communism will be confirmed and consolidated into political practice. The left-of-center parties of northern Europe are particularly hopeful for the PCI in this respect, partly because of its better record and partly because of their low opinion of the Italian Christian Democrats. European governments and centrist parties repudiate the idea of open external interference to affect the political course in France, Italy, or Spain; however, they generally approve the West German approach of conditioning economic assistance to Italy on improved performance by the Christian Democratic government; various Northern parties, particularly

SECRET

~~SECRET~~

- 9 -

West German, give moral and financial support to non-Communist forces in Italy and Spain, while in some cases maintaining dialogues with the PCI as well.

7. The question of the PCI or PCF entering NATO governments, and the likely effects of this on the Alliance, can be assessed variously. At the very least, it would raise troublesome matters of security and uneven participation by the affected member. But, in this view, such problems could be handled in ways comparable to the precedents set for Portugal and Iceland. A more somber interpretation is that it would call into question the unity and coherence of the Alliance, and might result in fragmenting it, reducing it to a North European arrangement with the US which would in effect be a US-German partnership.

8. Precisely what the effects would be would, of course, depend heavily on which government was involved, what positions the Communists held and on what terms, and what NATO issues are being considered.

-- In general, Communist declarations about accepting NATO are probably genuine in the sense that neither the PCI nor the PCF would press for precipitous withdrawal.

-- Of course neither party stands to gain by defining its stance in detail before the fact, since any precise declarations would court adverse reactions on either the right or left at home and either from the Soviets or the West abroad.

-- Beyond this, it is clear only that either party, once in the government, would probably prove obstructionist regarding any efforts to invigorate the Alliance or draw it closer together.

~~SECRET~~

SECRET

- 10 -

And they would be particularly opposed to their governments cooperating with any US political or military efforts going beyond the NATO region itself -- e.g., the Middle East and Africa. (This subject is addressed in greater detail in Section .)

9. In the Soviet view, the apparently improving fortunes of the European Communist parties gives rise to very mixed feelings. While the Soviets initially welcomed the trend, at least since 1975 they have shown themselves at least equally concerned that it carries threats to their interests, and this ambivalence becomes more pronounced the closer to power the European Communists appear to get.

10. The Soviets obviously want the support European Communists give them on major foreign policy issues, and would welcome a weakening of NATO and divisions between the US and European governments. Offsetting these hopes, however, are fears on several grounds:

-- The impact on the cohesion of the Communist movement.

The Western parties' assertions of independence are one more blow to Moscow's leadership of a movement already fragmented by Chinese and Yugoslav heresies. Moscow fears that the price of a share of power for Communist parties in the West will be increasing defiance of the USSR.

-- The impact on the Soviet position in East Europe. Already concerned about stability in this area as a result of serious economic problems, Moscow shows alarm lest ideological infection from West European Communists spread to Eastern

SECRET

- 11 -

Europe, a fear intensified by the Westerners' support for human rights and dissidents in the East.

-- The impact on general Soviet foreign policy objectives towards the West. Moscow probably fears that neither the PCI nor the PCF could enter government under conditions that held out much hope of lasting success. The risk therefore would be not only that their credibility would be damaged but the consequent turmoil would produce a conservative backlash, domestically and in the West generally, which would jeopardize the advantages Moscow hopes to gain from detente and otherwise reverse trends in Europe which it currently hopes to encourage.

11. We do not conclude from this that Moscow would oppose the entry into government of the French or Italian parties. On the contrary, it would be publicly pleased and privately hope that a number of opportunities would open up as a result. But these hopes would be heavily qualified by apprehensions, and the net result would be to induce caution and wait-and-see into Soviet policy calculations.

12. US attitudes toward Communist parties in Europe are an object of acute interest to Europeans of all political stripes. They are well aware that the present administration has modified the US stance on this question, adopting a more pragmatic and flexible attitude than in the past, though without abandoning opposition to Communists in NATO governments. Most of the European center-left elements approve the change as

~~SECRET~~

- 12 -

realistic. They believe that the previous US policy was no longer effective in hindering Communist electoral prospects, and was in fact likely to increase the difficulties if the Communists should gain a role in the Italian or French governments. On the other hand, some of the conservative forces -- especially in France and Italy -- regret the shift from stiff US declaratory opposition to Communists in European governments, believing the change will help the latter to power. All across the spectrum, there is considerable uncertainty about precisely what present US policy is and precisely how the US would react if Communists do enter the French or Italian governments. The dilemma is that if the US stays silent, it adds currency to the notion that it is ready to accept Communists in NATO governments; yet public (and even some private) declarations to the opposite effect trigger changes of interference.

13. This is an intelligence assessment and not a policy study. Possible courses of action and declaratory approaches to deal with the dilemma are outside the proper scope of this paper. However, we have set forth how the major European governments and the main European Communist parties see the US posture, and what our allies hope (or fear) US policy will be. This is discussed in Section VIII.

~~SECRET~~

SECRET

24 May 1977

Subject Outline: West European Communist Parties

(For Briefing and Discussion with DCI, 25 May, 1130)

1. The new US policy - PRM 9 and follow-up
2. Past intelligence coverage of the question
3. The present intelligence effort: Interagency Intelligence Memorandum on European Communism
 - a. The analytical problem
 - b. Euro-Communism as a label, not a reality
 - c. Heart of the matter is the Italian, French, and Spanish Communist parties and the situations in those countries
4. Italy and the PCI
5. France and the PCF
6. Spain and the PCE
7. The Soviet perspective - mixed feelings
8. How Europe views the problem
9. Implications for NATO
10. Perspectives for the US

25

SECRET

~~SECRET~~

24 May 1977

DRAFT

European Communist Parties

Overview and Principal Judgments

1. Euro-Communism is not a real thing but a label denoting certain shared attitudes of the Italian, French, and Spanish Communist parties, all of which are now playing important political roles in their respective nations and may soon play more.

2. The three Communist parties are more different than alike in most major respects, and of course they each face very different political prospects and problems in their national arenas. However, they have come to hold in common a few important doctrinal positions which set them apart from the Soviet and East European models and which have been receiving more emphasis in each party as they have maneuvered, each in quite different contexts, to appeal to more voters.

- They reject the Communist party of the Soviet Union as the ruling party of the international Communist movement.
- They declare that they do not regard the Soviet system as a future model for their countries.
- They have stated (but not proved) their commitment to pluralistic democracy.
- They assert the primacy of their countries' national interests when these clash with Soviet state interests.

25

copies distributed at meeting of 25 May

cc: NIO/USSR

~~SECRET~~

- 2 -

These tendencies go back farther and run deeper in the Italian and Spanish parties than in the French party.

3. Despite their differences with the USSR, the European Communist parties are still Communists, and not socialists or social democrats. There is evidence of considerable strain and debate over future strategy and tactics within each of their leadership groups, between the leaders and segments of the rank and file, and between the three different national parties. Nonetheless, they still hold to certain classical Communist practices which distinguish them from other parties of the European Left:

- They still conduct party affairs by the Leninist model of "democratic centralism," i.e., requiring acceptance at all party levels of policies laid down at the top.
- They remain broadly internationalist in outlook, loathe to repudiate a residual loyalty to the USSR as the first and most powerful Communist state, and possessing an instinctive sympathy for revolutionary movements in the Third World.
- This loyalty to the USSR, and several decades of opposition to the US and NATO Europe, give them an active suspicion and hostility to the US which they see as leader and embodiment of capitalism and imperialism.
- The French and Italian parties have very different views on what should be done to or for their respective national economies, but all three parties profess an ultimate vision of a Europe freed alike from US and Soviet blocs, building

SECRET

- 3 -

a kind of marxist society which avoids both the Soviet model and the trap they believe the other European left parties have fallen into -- i.e., helping to administer capitalism with appreciably changing it.

-- They are vague on precisely how they would do this, partly because they probably don't know themselves and partly because (like other political parties) they are reluctant to give detailed answers before they have to, lest they lose support on either left or right.

4. Similarities between the three parties are interesting, but the heart of the matter is not Euro-Communism but the separate, very different problems of Italy, France and Spain.

Italy

-- The PCI is much the largest and most advanced European Communist party, having the longest record of working with other parties, of avoiding dogmatism and confrontation with the Church, of piling up a good record of administrative competence in cities and regions where it has run local governments, and of pursuing a relatively moderate line in fiscal and labor programs -- more moderate than other Italian parties on the left. The PCI has been helped by the fatigue of the Christian Democrats after 31 years in power. It is, in effect, already a part of the Italian governing establishment.

SECRET

- 4 -

- The PCI's political leverage derives from the government's critical dependence on it for benevolent abstention in parliament and from its indispensable role in inducing Italian labor to accept austerity measures.
- Formal PCI entry into the Italian government is by no means assured, and it is even possible that in new elections the party would fall short of the 34 percent peak it reached in 1976. Odds are, however, that it will not lose ground if new elections are held, and it is likely to remain one of Italy's two principal parties for the foreseeable future.
- As the PCI has come nearer power in the last few years, its policy on NATO and the Warsaw Pact has switched from advocating a "Europe without blocs" to a recognition that the blocs will not soon disappear. Communist leader Berlinguer has even stated that he feels more comfortable with Italy in NATO than otherwise. This tendency does not make the PCI pro-NATO in any effective sense, merely less militant and more cautious.
- The PCI is particularly concerned lest a post-Tito Yugoslavia slip back into the Soviet orbit. Italian Communists maintain close ties with the Yugoslav leadership and a Soviet move against Yugoslav independence would present the PCI with a painful dilemma if NATO were to respond in support of Yugoslavia. The PCI would be subject to conflicting pressures,

SECRET

- 5 -

but some members at least would probably support the NATO move.

- The PCI opposed the European Community concept when the Treaty of Rome established it, but for some years it has supported Italian membership in the EC as essential to Italy's interests.

France

- The PCF has a good chance of entering the government through the next parliamentary elections (probably in March 1978), but it has paid a high price for this chance by joining in alliance with the French Socialists in 1972, an alliance which has enabled the Socialists to grow substantially while the PCF has shrunk slightly. It is now the junior partner, where it once claimed to be the dominant voice of the left in France.
- Should the Left Alliance form a government, the coalition would be a troubled and uneasy one likely to fall apart in the first year or two. Principle issues of contention would be chiefly domestic, with the PCF pushing for extensive nationalizations and a radical restructuring of French society. There would probably be a falling out between the PCF and the Socialists, and though French politics could become more polarized as a result, it seems more likely to lead to a political realignment in which the Socialists would join with

SECRET

SECRET

- 6 -

some centrist elements in a new center-left alignment.

In short, if the PCF does gain entry to the French government, it is much less likely than the PCI in Italy to stay in over the long term.

- The PCF's adoption of the relatively benign tenets of Euro-Communism is far more recent and considerably less "proven" than in the case of the Spanish and the Italian parties. Whether this recent trend will accelerate with the PCF's proximity to power, or be reversed by altercations within the Left Alliance is conjectural.
- The PCI takes a more negative attitude than either the PCI or PCE toward NATO and the European Community. This is consistent with the mainstream of French sentiment as compared with Italian, and the parallels between PCF thinking on French foreign policy and the Gaullist tradition reflect deliberate strategy on the PCF's part. We doubt that the PCF would push for outright French departure from the Alliance, but it would certainly press for a policy more aloof than Giscard has pursued.

Spain

- The Spanish Communist Party has more in common with the Italian than with the French Communists, both in terms of policy tenets and when it espoused these.
- Its economic policy is designed to appeal to the middle

SECRET

SECRET

- 7 -

class as well as to the workers.

- It seeks recognition from and political alliance with groups on the center-left, including its principal rival for the working-class vote -- the Spanish Socialist-Workers Party.
- Its foreign policy appears more moderate than that of the Socialists in that it does not argue for the removal of US bases or against Spain's joining NATO.
- It is thoroughly hostile to the idea of subordinating its interests to Soviet objectives. Party leaders remember that the Soviets organized an abortive counter-party in an attempt to unseat General Secretary Carrillo in the 1960s and 1970s.

5. Cooperation between the major European Communist parties is a changing and uneven pattern.

- Some Italian Communists consider their French brethren dogmatic and barely regenerate Stalinists. They are almost as suspicious of the PCF's recent conversion as are non-Communists, and believe that the French Communists have only a verbal commitment to democracy.
- In the economic sphere, the PCI is concerned to heal and re-direct a sick economy, and it considers that the public sector is, under present conditions, already larger than it should be. The French Communists, by contrast, want to break the power of capitalist owners and managers of all large and middle-sized enterprises in France.

SECRET

SECRET

- 8 -

-- Italian and French Communist attitudes also diverge on the question of Europe. PCI leaders believe that Italy needs the European Community, and hope to alter it from within toward a more socialist orientation. The PCF sees the EC as a check on future left-wing policies and an infringement on French sovereignty. This would make it difficult for the parties to adopt consistently common programs within the European Parliament.

-- The Spanish party adopts rhetorical positions on these questions more akin to the Italian model than the French, but also less precise, reflecting Spain's tentative political situation and relative isolation in Europe.

6. The governments and mainstream parties of Europe look on the European Communist problem with concern, coupled with varying mixtures of hope that the Communists will not gain power in Italy or France, or that, if they do, the benign rhetoric of Euro-Communism will be confirmed and consolidated into political practice. The left-of-center parties of northern Europe are particularly hopeful for the PCI in this respect, partly because of its better record and partly because of their low opinion of the Italian Christian Democrats. European governments and centrist parties repudiate the idea of open external interference to affect the political course in France, Italy, or Spain; however, they generally approve the West German approach of conditioning economic assistance to Italy on improved performance by the Christian Democratic government; various Northern parties, particularly

SECRET

SECRET

- 9 -

West German, give moral and financial support to non-Communist forces in Italy and Spain, while in some cases maintaining dialogues with the PCI as well.

7. The question of the PCI or PCF entering NATO governments, and the likely effects of this on the Alliance, can be assessed variously. At the very least, it would raise troublesome matters of security and uneven participation by the affected member. But, in this view, such problems could be handled in ways comparable to the precedents set for Portugal and Iceland. A more somber interpretation is that it would call into question the unity and coherence of the Alliance, and might result in fragmenting it, reducing it to a North European arrangement with the US which would in effect be a US-German partnership.

8. Precisely what the effects would be would, of course, depend heavily on which government was involved, what positions the Communists held and on what terms, and what NATO issues are being considered.

-- In general, Communist declarations about accepting NATO are probably genuine in the sense that neither the PCI nor the PCF would press for precipitous withdrawal.

-- Of course neither party stands to gain by defining its stance in detail before the fact, since any precise declarations would court adverse reactions on either the right or left at home and either from the Soviets or the West abroad.

-- Beyond this, it is clear only that either party, once in the government, would probably prove obstructionist regarding any efforts to invigorate the Alliance or draw it closer together.

SECRET

~~SECRET~~

- 10 -

And they would be particularly opposed to their governments cooperating with any US political or military efforts going beyond the NATO region itself -- e.g., the Middle East and Africa. (This subject is addressed in greater detail in Section .)

9. In the Soviet view, the apparently improving fortunes of the European Communist parties gives rise to very mixed feelings. While the Soviets initially welcomed the trend, at least since 1975 they have shown themselves at least equally concerned that it carries threats to their interests, and this ambivalence becomes more pronounced the closer to power the European Communists appear to get.

10. The Soviets obviously want the support European Communists give them on major foreign policy issues, and would welcome a weakening of NATO and divisions between the US and European governments. Offsetting these hopes, however, are fears on several grounds:

-- The impact on the cohesion of the Communist movement.

The Western parties' assertions of independence are one more blow to Moscow's leadership of a movement already fragmented by Chinese and Yugoslav heresies. Moscow fears that the price of a share of power for Communist parties in the West will be increasing defiance of the USSR.

-- The impact on the Soviet position in East Europe. Already concerned about stability in this area as a result of serious economic problems, Moscow shows alarm lest ideological infection from West European Communists spread to Eastern

~~SECRET~~

- 11 -

Europe, a fear intensified by the Westerners' support for human rights and dissidents in the East.

-- The impact on general Soviet foreign policy objectives towards the West. Moscow probably fears that neither the PCI nor the PCF could enter government under conditions that held out much hope of lasting success. The risk therefore would be not only that their credibility would be damaged but the consequent turmoil would produce a conservative backlash, domestically and in the West generally, which would jeopardize the advantages Moscow hopes to gain from detente and otherwise reverse trends in Europe which it currently hopes to encourage.

11. We do not conclude from this that Moscow would oppose the entry into government of the French or Italian parties. On the contrary, it would be publicly pleased and privately hope that a number of opportunities would open up as a result. But these hopes would be heavily qualified by apprehensions, and the net result would be to induce caution and wait-and-see into Soviet policy calculations.

12. US attitudes toward Communist parties in Europe are an object of acute interest to Europeans of all political stripes. They are well aware that the present administration has modified the US stance on this question, adopting a more pragmatic and flexible attitude than in the past, though without abandoning opposition to Communists in NATO governments. Most of the European center-left elements approve the change as

~~SECRET~~

- 12 -

realistic. They believe that the previous US policy was no longer effective in hindering Communist electoral prospects, and was in fact likely to increase the difficulties if the Communists should gain a role in the Italian or French governments. On the other hand, some of the conservative forces -- especially in France and Italy -- regret the shift from stiff US declaratory opposition to Communists in European governments, believing the change will help the latter to power. All across the spectrum, there is considerable uncertainty about precisely what present US policy is and precisely how the US would react if Communists do enter the French or Italian governments. The dilemma is that if the US stays silent, it adds currency to the notion that it is ready to accept Communists in NATO governments; yet public (and even some private) declarations to the opposite effect trigger changes of interference.

13. This is an intelligence assessment and not a policy study. Possible courses of action and declaratory approaches to deal with the dilemma are outside the proper scope of this paper. However, we have set forth how the major European governments and the main European Communist parties see the US posture, and what our allies hope (or fear) US policy will be. This is discussed in Section VIII.

~~SECRET~~

25X1

Approved For Release 2004/03/11 : CIA-RDP79R00603A002600010004-2

Next 7 Page(s) In Document Exempt

Approved For Release 2004/03/11 : CIA-RDP79R00603A002600010004-2

23 May 1977

X1A

NOTE FOR:

SUBJECT : Euro-Communist Paper

It would be most helpful if you would draft textual suggestions and either bring them or have or John McLaughlin bring them to the Wednesday morning meeting.

Thanks.

STA

1-2

NIO/WE

25X1A

FOLLOW-UP TO PRM-9

"VII. IMPACT ON NATO OF PRESENT TRENDS AND FUTURE CONTINGENCIES"

2a. Italy's political-military contribution to the West ought to be more clearly defined. It is true that Italy hosts NATO's southern theater headquarters and that its military officers hold some subordinate NATO commands. But these are "honors" which reflect Italy's political importance as one of the four major countries of Western Europe rather than the contribution its forces make to NATO defenses. The southern flank is isolated from the central front, and Italy is geographically separated from its neighbors; consequently, Italian forces are oriented principally to the protection of national territory. Moreover, the deployment of much of the Italian army reflects a preoccupation with the possibility of domestic subversion, rather than a threat from the East. The Italians are building up their naval forces, but this augmentation reflects predominantly the need to protect Italy's trade routes and lines of communication that are now threatened by the increased Soviet presence in the Mediterranean. Italy's principal military contribution, ^{as} is a base for the US presence in the Mediterranean.

b. France's potential military contribution to the collective defense is much greater than Italy's and should

be spelled out. The benefits which France could bring to the Alliance include greater depth to the ^{Central European} theater of operations, frontage on both the Atlantic and the Mediterranean, logistical installations and air bases, normalization of communications and transportation systems, and assured operational cooperation.

4. The desire to see a reduction of "American hegemony" in Western Europe and a less preponderant American role in NATO is not limited to the Communist parties. Many spokesmen of the conservative parties--for example, the West German CDU and the British Tories--have advocated some reduction in the American defense role, and a corresponding increase in the European one, as a means of generating domestic concern about, and support for, national defense requirements. Moreover, they argue, such an adjustment is logical given the need for the Europeans to increase NATO's conventional defenses to compensate for the loss of US nuclear superiority. Finally, a supplementary European defense presence would give the West European countries the self-confidence they need to pursue improved contacts with the East.

These views have practical significance in that they make actions which appear at first glance to be hostile to NATO and the US presence in Europe appear otherwise. For instance, the PCI delegates to the Assembly of the Western European Union --

CONFIDENTIAL

the only West European defense forum--recently voted in favor of a resolution endorsing the US offer to buy more of its weapons in Europe as part of an attempt to create a "two-way street" in the arms trade. The "two-way street" proposal envisages a lessening of US preponderance in a key defense area. But the PCI endorsement has been rightly interpreted -- in light of the broad support for initiative in Europe--as a confirmation of the need for an ^{Ae} ~~Em~~erican link to Europe.

5. It should be noted that France as a country has been more equivocal about NATO than Italy, and that this has contributed to the ability of the PCF politically to oppose cooperation with the Alliance. (Similarly, Italy's geographical position and political stature--and the correspondent high risk of a Western political reaction to the PCI's coming to power--probably contributes to the PCI's willingness to display signs of social-democratization and independence.)

CONFIDENTIAL

6.a. It is possible to say more here about the political trend that might be promoted by Communist participation in NATO governments and thus about what "adjustments" in the Alliance might be required. The PCI and the PCF, for example, have indicated they would emphasize national sovereignty and limit cooperation with other Western countries. They also have stressed European interests in contradistinction to Atlantic ones.

Exactly what political significance is to be attached to these positions, is unclear. This is because there is already, at a time of detente and parity of strategic nuclear systems, a tendency to take a fresh look at national policies and stress the importance of regional interests and requirements. At most, *though*, the Communist parties seem to be at the leading edge of European opinion, not isolated from it.

b. The PS recently agreed to a conscription period of nine months, a development which suggests they share President Giscard's interest in an alternative to exclusive reliance on the French nuclear force.

c. The Common Program will apparently be less vague about defense issues than is suggested here. The PCF recently accepted the "necessity" of the French force de frappe, including whatever technical modifications might be necessary in the future to equip it for defending France. Acceptance of the need to modernize the nuclear forces was apparently designed to answer the recent

Socialist emphasis on the need to bolster France's defense by building up its conventional forces.

12. The "loss" of France and Italy seems unlikely ^{except} in the event of a much broader shift in the East-West balance. At least the conditions of its occurrence ought to be specified.

These are our
Comments to
identified sections
of IAA on European
Communist Parties.
Any instruction / ideas
about further distribution?

25X1A

25X1A

MEMO: PRM 9 FOLLOW-UP PAPER ON EUROCOMMUNISM, Part VIII
"How Europeans see the US role and interest"

DATE: 20 May 1977

FROM: , ORPA/WE

2

pp. 1-2: These should be rephrased to indicate clearly that the paper is describing European views of what US policy is: presently the phrasing suggests an independent description of US policy.

p. 4: I think that the possibility of a flight of capital from Italy or France, and the prospect of resultant greater burdens for the FRG in the EC, is the least of Germany's concerns. The Germans see Eurocommunism as a transformation in the direction of social democracy, allowing the prospect of a common political evolution in both northern and southern Europe. By and large they believe that they can manage and control the Eurocommunists within the European framework. What they fear is an exclusionary US policy that would oppose the Eurocommunists and thus split Europe. This is the major reason why they are pleased to see a more moderate US approach.

Similarly, Germany fears US protectionism not because it would "threaten Community mechanisms" but because it could exacerbate especially Italy's economic problems and thus worsen the north-south split between Europe's strong and weak economies.

p. 5: It should be noted that while Giscard is nervous about the shift in US policy, and while he would not like a repeat of the Schmidt statement either, he would also be embarrassed by almost any show of US support even if it were not directly aimed against the Left.

pp. 7-9: This section is somewhat skewed. I would put it that the EC welcomes US support for European unity in part because this indirectly works against the Communists, who are seen as favoring more inward-looking national economic policies in principle destructive of the EC. Their emphasis on national economic planning also goes much further than the EC can accommodate on the basis of its original economic presumptions.